

**THE GROWTH OF  
PERSONNEL MANAGEMENT  
IN GREAT BRITAIN  
DURING THE WAR  
1939—1944**

by  
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# THE GROWTH OF PERSONNEL MANAGEMENT IN GREAT BRITAIN DURING THE WAR 1939—1944

## INTRODUCTION

THE writing of contemporary history is always a difficult pursuit. One needs leisure and a certain detachment from day-to-day events to realize the significance of widespread changes in industrial and social life. Only when war has passed and the conditions under which we are to live and work have emerged from the White Papers and plans of to-day will it be possible to say how much of present industrial practice is likely to be permanent. Yet some interim report should be written, because great changes have taken place in these last four years which have radically altered the conditions under which men and women are employed in British industry.

The report will show that there has been an extensive development of personnel management during the war, particularly in the factories directly concerned with war production. This development is shown not only by a fourfold increase in the numbers of practising men and women, but in a growing recognition that the personnel function is inherent in the process of management. It cannot be said that this conception is generally accepted by industry, and there still remains some confusion of thought as to the practice and aim of personnel management. This confusion is due, in the first place, to an impression that personnel management is a war-time phase in management, destined to pass with a return to more normal times—a viewpoint, as might be expected, held by some managements in factories that have been built and staffed during the war or where a very rapid expansion has taken place. In fact, personnel management is essentially an evolutionary development, but in the older established factories, which have employed specialists in personnel work for many years, there is sometimes a further contradiction, due to the policy of a company reflecting one or other of the older conceptions from which the present-day practice has emerged.

The present conception of personnel management has evolved from the interaction of a number of ideas each of which found

favour in some period of British industrial history. The first of these, belonging essentially to the nineteenth century, was a sense of social responsibility which led a number of "enlightened" employers to take steps to safeguard the welfare of the people they employed. The second arose out of the human needs of labour during the last war, which resulted in the setting up of many welfare departments to meet those needs; at the same time, the wider development of welfare throughout industry was urged by the Welfare Department of the Ministry of Munitions, whose recommendations were reinforced by the published findings on industrial health in war-time and the early studies of the worker, his work, and his factory environment. The third was the development of the conception of industry as a joint enterprise in which the principles of representation and collective bargaining became more widely accepted as a permanent feature of the industrial structure. The last chapter in this evolutionary development relates to the present war period, in which there has been a fuller recognition that this human aspect of management cannot be delegated to an official and divorced from management but remains an integral part of it, with responsibilities for directors, line executives, and foremen as well as for the specialist personnel officers.

The term personnel management would, therefore, be more accurately referred to as the personnel function of management.

During this war the underlying principles of the human aspect of management have been enunciated more clearly and authoritatively than ever before. The patronizing and paternalistic conceptions of welfare of earlier years have been replaced by a more fundamental principle. The personnel function of management is wider in scope, more technical in application than the old welfare concept. At the same time it remains basically true to the teaching of its early pioneers and is primarily concerned with the well-being of the individual and the development of better relationships within industry.

This rapid war-time development has not been achieved without growing pains. Effective personnel management implies the determination of policy by directors in all matters affecting work-people and their relationships, together with the understanding and application of that policy at all levels of management. Inevitably, the need for specialized personnel officers has resulted, in some cases, in men and women being appointed with insufficient training or the wrong approach and outlook. Wherever this has happened, personnel management has suffered and the workers and their representatives have regarded it with mistrust and suspicion.

Such exceptions, however, cannot detract from the general picture. Sound personnel management has provided a service to management and workers and by the satisfaction of reasonable needs has made a contribution to the stability of industrial relationships and thereby to the efficiency of war production.

### RETROSPECT, 1918-1939

It might have been expected that with all the experience of 1914-1918 behind them responsible heads of Government and industry would have been ready to meet the human problems in industry which the change-over to war production was bound to create. Yet, as the House of Commons Select Committee on National Expenditure reported, "there are no obvious signs that when the factories required in this war were being brought into production, those responsible had assimilated and profited by the results of earlier experience".<sup>1</sup> The root cause of this defect in our industrial planning lay, partly, in the employment experience of the intervening twenty-five years and, partly, in a failure to comprehend the magnitude of the changes which lay ahead and of the problems which British industry had to overcome.

In between the wars the older staple industries entered into a period of prolonged depression. Strikes and industrial unrest in Great Britain centred around coal mining, heavy engineering, ship-building, and textiles. In consequence of severe competition and contracting markets, the personnel element in management was neglected, and there were few examples of experienced men being introduced in the heavy industries to assist in evolving and carrying out a personnel policy. At the same time, the decline in the fortunes of the staple industries was counterbalanced by a marked expansion in industries and trades where new markets were developing as the result of mass production methods. Cars, radio, rayon goods, electrical gadgets for the home and office, patent food preparations, ready-to-wear clothing are examples of a wide range of consumption goods that opened out new markets for which there was a widespread demand. The history of industrial experience during this period has been summed up in these words:

"The older industries, those suffering the decline, continued as before and during the [1914-1918] war to accept the personnel function [of management] only under duress and as the necessary obedience to legal prescription; in these

<sup>1</sup> *Third Report from the Select Committee on National Expenditure, Session 1942-1943: "Health and Welfare of Women in War Factories"* (London, H.M. Stationery Office, 1942), p. 5.

circumstances, little headway was made, save in the few concerns which had long been aware of the significance of human management. In the 'newer' trades, however, those which were enjoying a post-war prosperity, there was a greater readiness to accept and to build on the lessons of the war. Probably because of their absence of tradition but even more because of the large proportion of women that they employed, these trades grew up with an acceptance of personnel and welfare management as part of their structure—a recognized mechanism of executive control."<sup>1</sup>

The reason for the slow growth of personnel management even in the expanding industries and its almost total absence in the staple industries is to be found in the employment position in industry between the two wars. Speaking generally, employers were reluctant to regard the personnel function of management as one requiring the same emphasis as their engineering, sales, or accounting functions. Economic factors encouraged employers in their neglect of this element in management. In the first place they enjoyed an almost complete state of *laissez faire* in the employment field. Restrictions there were of course in the Factories Act, national insurances (health and unemployment), workmen's compensation, and other statutory obligations to be observed. Such legislation, however, imposed minimum standards and there were no further restrictions placed upon the employer governing his relationship with the employee except those which were self-imposed or forced where trade union organization was strong. Secondly, the unemployment position between the two wars put employers in a very strong position and made a careful recruitment, selection, and training policy seem unnecessary, since mistakes could so easily be remedied by dismissing the unsuitable and engaging others from the large numbers constantly registered with the employment exchanges.

The combination of these two factors resulted in a corresponding weakness in the bargaining power of workpeople and their representatives. The principle of joint consultation in the factories, first stressed by the Whitley Committee,<sup>2</sup> was not widely accepted

<sup>1</sup> Works Management Association: *Industry Illustrated* (Romsey, Hants), March 1944: "The Human Factor in Management, 1795-1943: Part III, 1920-1940", by L. Urwick and E. F. L. Brech.

<sup>2</sup> This Committee, whose official title was "Committee on Relations between Employers and Employed", was appointed in 1916 to examine methods for securing a permanent improvement in industrial relations (cf. I.L.O.: *Studies and Reports*, Series A, No. 43: *British Joint Production Machinery*, Montreal, 1944, pp. 4-5).

and the general insecurity in employment cut short any considerable development of the shop steward movement.

The continued existence of four national bodies, each of which had its origins in the development of personnel management in the last war, gives proof, however, of the gradual advance in the practice of personnel management—the Industrial Health Research Board, the Industrial Welfare Society, the National Institute of Industrial Psychology, and the Institute of Labour Management.

To sum up, it may be said that personnel management had won a place in the management structure of a number of firms prior to 1939, and where it had been established it was recognized as a fundamental of good management. Nevertheless, the experience of those firms which had previously set up personnel departments was overlooked or ignored, and only slowly and as a result of painful and wasteful experience did Great Britain, as a nation, relearn the lesson that the last war had taught—that the reasonable satisfaction of human needs is an inescapable function of management and a necessary prelude to production efficiency.

### INDUSTRIAL BACKGROUND, 1939-1943

The development of personnel management in the last four years must be set against the background of events in industry, in so far as those events have a direct bearing on the employment of men and women in the factories. The predominant consideration has been one of man-power, the proper use of man-power, and the mobilization of the nation for total war:

“On examination our man-power programme reveals three basic principles: first, to secure, within the limits of our war economy, that each citizen is so engaged that the maximum use is made of his or her ability; secondly, to see that working and living conditions are as satisfactory as is possible in war-time; and thirdly, although the broadest compulsory powers have been conferred on the Government, it must still ensure that individual rights are reasonably safeguarded and the democratic spirit is preserved. For this machinery of mobilization is a most unusual piece of apparatus; its component parts are nothing less than flesh and blood, and the driving force in it is really the will of the people themselves.”<sup>1</sup>

<sup>1</sup> Ministry of Information: *Man-power* (London, H.M. Stationery Office, 1944), p. 9.

The man-power plan, with its inevitable variations and changing emphasis, has had a big influence on the development of personnel departments because it has been found essential in a firm of any size to centralize personnel activities so as to ensure the most effective use of available labour. Recruitment, selection, engagement, transfers, releases, job training, upgrading, are all obvious examples of personnel problems which in accordance with the changing man-power position call for company policy and a uniform application and execution of that policy through a centralized personnel department.

The need for medical care and welfare supervision both in the factory and outside it became of increasing importance as more stringent measures for industrial mobilization were introduced. Lives had to be readjusted to a new environment since many men and women were leaving their home towns and parting from their families for the first time; the employment of married women in industry introduced a spate of personal and domestic problems calling for individual treatment. Strain and fatigue, unavoidable accompaniments of war-time, were accentuated by long hours, restricted opportunities for holidays and leisure, air raids and anxiety. With families separated, morale was bound to fluctuate, and in this country reached its lowest ebb in the long periods of waiting for news pending military events. The accumulated effect of living and working under such abnormal conditions emphasized the need for the employment of people specially trained in welfare and medical supervision.

The introduction and gradual extension of the Essential Work Orders<sup>1</sup> to more than eight million workers has had very considerable implications both for management and workpeople, and, of all the legislation passed in war-time, these Orders have contributed most to the revolutionary change in employment conditions. The Orders introduced the principle of a guaranteed wage, subject to an employee being "capable of and available for work", so as, partially, to offset the disadvantages of an employee being "directed" from his place of employment to work in a factory more essential to the war effort. Some of the other provisions have changed the whole industrial outlook towards discipline (using the word in its widest sense), and it is in giving effect to these provisions that there emerges the third fundamental reason for the centralization

<sup>1</sup> These Orders for strengthening controls over employment and conditions of work in war industries were applied originally to munition works (special orders being issued for shipbuilding, building and construction, and coal mining), but they have gradually been extended to a large variety of other industries engaged directly or indirectly on war work.

of personnel matters within a factory. In all undertakings scheduled under the Orders, the employer is no longer free to discharge a man, except in cases of "serious misconduct", and an employee is not free to leave his employment, unless each party has given to the other one week's notice and secured the permission of the national service officer at the local office of the Ministry of Labour; secondly, both employers and employees have the right of appeal against the decisions of the national service officer, and in the case of dismissal for serious misconduct the employee has the right to have his case heard by an appeal board; thirdly, the amended Orders of 1942 provide for the setting up of appropriate committees, composed of management and workpeople, to deal, inside the factory, with serious cases of absenteeism and lateness before further action can be taken by the Ministry of Labour.

A brief chronological account may serve to indicate the nature of further changes, as they affected people in the factories, and the gradualness with which industrial mobilization was completed.

### 1940

No significant changes took place in industry during the first five months. There were still one and a half million unemployed at the beginning of the year, and industrial mobilization proceeded at a slow pace. In the period of crisis, May-June, no other considerations mattered except munition production, and an immense short-term effort was made, regardless of working conditions, long hours, and personal difficulties.

Mr. Bevin, as Minister of Labour and National Service, laid down within the first few months of taking office the basis of the plan by which the country was to be mobilized. The Factory Department was transferred from the Home Office to his Ministry, and a Factory and Welfare Department was set up to deal with welfare inside and outside the factory. Attention was at once directed to the development of welfare facilities, including transport, billeting and feeding, shopping facilities, and "music while you work". In July, the Factories (Medical and Welfare Services) Order empowered the Chief Inspector of Factories to make arrangements where necessary for medical, nursing, and welfare supervision in war industries. In November, a further Order made compulsory the provision of canteens in war factories employing more than 250 persons.

As an additional safeguard against the breakdown of industrial relations, the Minister set up in July a National Arbitration Tribunal to adjudicate on disputes where there had been failure to reach



agreement. A Restriction on Engagement Order was applied to the engineering and building industries to stop the growing evil of poaching skilled labour, and a "stand-still" Order was applied to agriculture and coal mining to prevent men leaving jobs vital to the war effort.

Throughout the year there were widespread increases in wages and in earnings, and no shortage of civilian goods. These were important factors which, coupled with the critical war outlook, accounted for an absence of major disputes even though there was an outcrop of minor labour disputes.

### 1941

In January, the Essential Work Order was introduced with the primary object of preventing unnecessary labour turnover in vital industries, and thereby helping to increase production and secure economy in the use of labour.

The important task was to press forward with the mobilization of the country's man-power and compulsory registration for employment, and preliminary steps for mobilizing woman-power were taken. The National Service (No. 2) Act, which received the Royal Assent in December, declared that a liability rested on all persons of either sex to undertake some form of national service. It fixed the higher age-limit of the National Service Acts at 51 years, and extended their application to women for the purpose of maintaining the women's auxiliary services.

A plan to concentrate production in those industries not directly concerned in munition production was adopted with the dual purpose of reducing man-power and limiting supplies of non-essential goods. The scheme was followed by an extension of the coupon rationing system to a wider range of consumer goods and foreshadowed the appearance on the market of "utility" wares at controlled prices.

The 705,000 unemployed at the beginning of the year were soon absorbed and an acute labour shortage set in. Long hours of work, quite apart from time spent on civil defence duties, continued throughout the year, but industrial relations remained good. There was an increase in the number of disputes from 922 (1940) to 1,251, but the 1,080,000 days lost in 1941 were considerably less than in any of the five years preceding the war. Stability was due partly to the success of national arbitration machinery, and partly to the increased co-operation between employers and trade unions. The cost of living was stabilized, but in spite of a Government White

Paper counselling restraint in wage claims, the index of wages continued to rise.

The absence of personnel management in many industries remained an obstacle to full production. "The worst feature of labour conditions, not shown in statistics, is [the lack of] welfare arrangements to meet the influx and transfer of workers into war industries. The limits upon the worker's standard of living are physical rather than monetary; they are set by rationing and shortages, rather than by earnings, and by the presence or absence of decent arrangements for housing, travelling and works feeding."<sup>1</sup>

### 1942

Virtually no new principles were introduced in the man-power plan, but during the year existing regulations were applied with an increasing stringency, and the Ministry, through its Man Power Boards, used its powers of direction more extensively.

With the entry of women into industry in the previous year, the Minister introduced in January 1942 the Employment of Women (Control of Engagement) Order, under which the engagement of women between 20 and 31 years was controlled through the employment exchanges and certain approved agencies. Royal Proclamations in March and October provided for the calling up of men between 18 and 46 years and of women between 20 and 31 years.

The system of block reservations was replaced by individual deferments, and special Man Power Boards, set up in 44 districts, determined whether a man or woman should be left on the job he or she was doing, by reference to the importance of the job to the war effort and the possibility of replacement by an older man or a woman outside the call-up age groups.

By the end of the year 54,000 factories covering 7½ million men and women were scheduled under the Essential Work Orders. Absenteeism in the factories became a great problem during the year, but the majority of cases were dealt with by absentee committees composed of representatives of management and workers inside the factories.

There was again a slight increase both in the number of disputes and in the aggregate of working days lost by disputes, but relationships remained steady and unmarred by serious stoppages. Substantial wage increases were claimed and earnings continued to rise, while the cost-of-living index was pegged back by Government

<sup>1</sup> *The Economist*, March 14th, 1942, Supplement: "Commercial History of 1941", p. 5.

subsidy and remained constant throughout the year at a figure equivalent to a rise of 29 per cent. on the official basis of reckoning since the outbreak of war. An important feature in industrial relations was the establishment of joint production committees in the engineering and allied industries, and by December 2,000 such committees were covering 2 million workpeople.

Broadly speaking, the process of mobilizing Britain's resources for war work was completed in 1942. All the able-bodied men and women who could be freed from civilian employment had been absorbed into the forces or war industries. Improvements in production, coupled with mobilization of man-power, resulted in a big expansion in the output of munitions, and the Minister of Production announced that production showed an increase of 50 per cent. over the output of 1941.

### 1943

The process of mobilizing Great Britain's resources for war was virtually completed in the previous year; 1943 was one of sustained and total effort. The extent of mobilization can be seen from these statistics: out of a total adult population of 33·1 million available for work, nearly 22·8 million were "gainfully employed", mostly in the services or on vital work. In addition there were about one million men and women aged 65 and over in paid employment and 750,000 women in part time employment. The vast proportion of the balance is accounted for by the 10 million women (mostly married) occupied in essential household duties, including the care and upbringing of 9 million children under 14 years.

Production demands shifted in accordance with changing strategic needs. Overriding priorities were given to aircraft production, and the fulfilment of changing demands called for a high degree of flexibility and adaptability on the part of management and workpeople. The change-over was effected smoothly, but there were bound to be hardship cases.

The stringency in the man-power position became more acute, and the registration age for women was raised to 50 and young men were conscripted for the mines. The proportion of women in the aircraft industry rose from 12 per cent. (1940) to 40 per cent. (1943), and all told in the munition industries, including shipbuilding, women accounted for a third of the total labour force.

There were approximately  $8\frac{3}{4}$  million workpeople covered by the Essential Work Orders and unemployment reached the low level of 72,000. On the industrial relations side, the number of joint

production committees had increased to 3,000, quite apart from extensions in the use of other joint consultative bodies (works councils and emergency *ad hoc* committees).

The number of disputes involving stoppages of work rose from 1,303 (1942) to 1,775 and the number of working days lost rose to 1,527,000; nearly half of the disputes and of the total time lost occurred in coal mining. Most of the stoppages were of short duration, over four-fifths terminating within three days. The number of working days lost through stoppages, "though larger than for any of the five preceding years, was equivalent to only a small fraction of one working day per head when averaged over the whole of the wage earning population".<sup>1</sup> Nevertheless, the increased industrial unrest was a source of anxiety, particularly in the later months of the year.

Increased attention was again paid to industrial health and welfare. Approximately 10,500 works canteens were in use, and the total number of people engaged in personnel management had risen from an estimated figure of 1,800 in 1939 to 5,700 in 1943. Medical officers in war factories had increased in number from the pre-war figures of 35 (full time) and 70 (part time) to 180 (full time) and 750 (part time). The number of State registered nurses in industry in 1943 was over 6,000, and by December 1943, 1,450 nurseries were open to accommodate 65,000 children, thereby permitting the mothers of small children to be free for full or part time work.

### 1944<sup>2</sup>

The liberation of France and the continued successes of the Allied armies held out high hopes that 1945 would see the end of the European war. In consequence, increased attention was given to the problems of demobilization and resettlement but little could be done in a practical way towards preparing for the switch-over to peace-time, largely because the overriding needs of equipping armies on the Continent made it impossible to spare technicians for this purpose, especially draughtsmen and designers. A White Paper<sup>3</sup> established the method of release from H.M. Forces on a

<sup>1</sup> *Ministry of Labour Gazette*, January 1944, p. 10.

<sup>2</sup> This section has been added since the publication of the December 1944 issue of the *International Labour Review*, in order to bring the Report up to date.

<sup>3</sup> *Re-Allocation of Man-power between the Armed Forces and Civilian Employment during any Interim Period between the Defeat of Germany and the Defeat of Japan*. Cmd. 6548. (London, H.M. Stationery Office, 1944).

basis of age plus length of service, permitting the priority release of key men for industry only under certain conditions. At the same time numbers of private firms were circularizing among both existing and serving employees their plans for dealing with the training and resettlement of peace-time personnel.

The shortage of man-power experienced in the previous year became even more pronounced during 1944, though aircraft no longer held the highest priority. A White Paper<sup>1</sup> published during the year revealed the extent to which the British people were mobilized and gave facts and figures illustrating the contribution to the total effort they had made. A third White Paper<sup>2</sup> set out the principles of the re-allocation of civilian man-power during the period between the defeat of Germany and the defeat of Japan. In the wider field of social planning the Government made statements on health services, social insurance, housing, and the means of achieving a high and stable level of employment. A new Education Act was passed introducing considerable changes in the system of post primary education, and providing for the raising of the school leaving age first to 15 and later to 16, and further part time education up to the age of 18.

The Government's war-time policy of raising the wage standards of the lowest paid workers characterized the negotiations and the advances awarded during the year. The *Ministry of Labour Gazette* (February 1945) revealed that "the average level of rates of wages for a full ordinary week's work exclusive of overtime was about 35 per cent. higher in July 1944 than in October 1938" and that earnings increased during this period by about 70 per cent. in the industries covered by the enquiry.

During the year there were more disputes than in any other year of the war, and the number of working days lost rose from 1,527,000 (1943) to 3,700,000. Coal mining was again the most serious storm centre, though there was a measure of unrest, fairly widespread, in the months preceding the invasion of France, and it was thought necessary to introduce a new Defence Regulation 1AA against strike agitators. In December the Government introduced the Wages Councils Bill, designed to convert Trade Boards into Wages Councils with wider terms of reference in order to improve conditions of employment in the industries concerned, and to strengthen and extend the machinery of voluntary negotiation.

<sup>1</sup> *Statistics Relating to the War Effort of the United Kingdom*. Cmd. 6564. (London, H.M. Stationery Office, 1944)

<sup>2</sup> *Re-Allocation of Man-power between Civilian Employments during any Interim Period between the Defeat of Germany and the Defeat of Japan*. Cmd. 6568. (London, H.M. Stationery Office, 1944)

At the end of the fifth year of war, the responsibilities of the personnel function of management had become even greater than during the preceding years. The main preoccupation was still with the immediate war effort—with the problems of labour supply, and the health, morale, discipline and efficiency of the industrial "garrison". Yet, at the same time, the promise of an early end of the war in Europe directed attention to some of the more urgent measures required in the reconstruction period.

## THE PRACTICE OF PERSONNEL MANAGEMENT

The foregoing survey indicates the gradualness and the scope of the changes which forced the establishment of personnel departments in war industries. More often than not the changes took place before either management or workers fully grasped their purpose and significance and, frequently, before personnel and welfare officers, themselves often inexperienced and untried, had more than a hazy idea of their duties and place in the management structure.

There is still to-day confusion of thought on the title given to the head of the department, and the terms personnel, labour, employment, and welfare manager are used somewhat indiscriminately; but after five years there has emerged a fairly general acceptance as to the functions of the personnel department. The brief account here given under each of the principal functions emphasizes the essential wartime developments, and does not attempt to include the full range of duties performed.

### Recruitment and Selection

The large-scale transference of labour during the war has made it essential that the recruitment of workers into a factory should be the responsibility of men and women trained to interview and select. The case for centralization rests in the value of having all labour requisitions analysed before being approved by management, and the subsequent recruitment of workers based on consistent methods of engagement.

Well-conducted interviews remain the first important step in proper selection, but the increasing number of medical departments has led to the interview being supplemented by a medical examination, thus ensuring that jobs are filled after a proper assessment of the physical and mental capabilities of the applicant. Intelligence and aptitude tests provide a further aid to selection but most of the

experienced psychologists have been seconded to the services, where tests have been used with considerable success.

The National Service Acts, the need for accurate information concerning employees and their jobs, and the correct utilization of the labour force have brought home the necessity of centralizing personnel procedures and establishing and maintaining first-class record systems. Practically the only source of labour supply has been the Ministry of Labour exchanges and there is everything to be gained from a close personal relationship between the personnel officer and the Ministry official in examining the supply and demand position. Likewise the same basis of confidence has to be established with the Man Power Board in determining the cases of deferment for key workers and the releases of others for work of a higher priority.

Although circumstances have demanded that interviewing and selection should be by trained officers in a centralized department, the foreman has an important part to play in actual engagements. It is obviously sound business practice for the foreman of a department to which applicants are going to be consulted before decisions are made, so that he is made to feel that he is concerned with selection, and thereby holds a full sense of responsibility in the ensuing period of employment for those engaged for his department.

### Employment

It is to be expected that officers who engage workers, and are responsible for transfers, promotions, releases, and dismissals, should have a sound knowledge of statutory law relating to employment. Common law recognizes a special relationship between "master" and "servant", but it is from a series of statutes that the worker finds the advantageous aspects arising from his contract of service. Factories Acts, workmen's compensation, the national insurances; Employers' Liability and Fatal Accidents Acts; Truck Acts; Trade Boards Acts—all are examples of statutory legislation relating to employment and are designed to give "protection" to employed persons.

In addition, nearly every company has its own special conditions of employment and it is customary for these to be listed in works rules. For these works rules to be accepted in a court of law, it is coming to be the practice to allow every employee to sign his willingness to observe them, and it is advisable that the works rules, unless they are already accepted as a trade custom, should be recognized and agreed to by the representatives of the workers.

At all events, as conditions of employment vary, they will, as a general rule, be the subject of negotiations.

It has become in recent years the accepted custom for the personnel department to see that the statutory and the accepted terms and conditions of employment are both understood and observed at all levels of the organization. Much of the legislation introduced during the war—in particular, the Essential Work Orders—has to be administered by a centralized department if interpretations and procedures are to be standardized. Likewise, it is obviously the responsibility of the officer in charge of the personnel department, in carrying out the employment division of his function, to deal with releases and disciplinary matters both with the national service officer and with the appeal board.

### **Initiation and Training**

In the earlier years of the war, lack of trained personnel and the overriding considerations of output prevented initiation schemes from receiving adequate attention. There were far too many cases of workers being brought into factories “and left to find things out for themselves”. The importance of creating a favourable impression at the outset and enabling the new entrant to get perspective by seeing his job in relation to the process as a whole has gradually received wider recognition. A preliminary talk may be given by the head of the personnel department in which the history, policy, and organization of the firm is explained. In the case of juveniles this talk is often supplemented in the medical section by films and pictorial shows designed to give a visual picture and to imprint on the mind of the new recruit certain essentials in regard to health, education, and safety. Factory tours which enable the new entrant to get perspective on the part he is to play in the company's activities as a whole are an accepted practice in initiation schemes.

The very high level of production in the munition factories could never have been achieved without training and the discriminating use of “upgrading”. The bulk of the training had to be done in the engineering workshops themselves, but the Government training centres, technical colleges, and similar institutions were expanded and pressed into service in 1940 and provided an invaluable flow of trained men and women for the factories.

The special circumstances of war have brought about a greater emphasis on training within industry than ever before in British history. The basis of all training in fundamental methods of work depends on an analysis of the job to be done. The best methods



of doing a particular job are agreed upon, usually—in the larger concerns—between motion study representatives, supervisors and personnel officers. Instructors selected for their ability to teach are themselves instructed in the “best” methods and pass on their experience in the training schools to new entrants, upgraded workers, and men and women transferred or promoted to new jobs.

There is a growing realization that the training of apprentices must not be left to chance and casual supervision, but must be based on a predetermined schedule of work assignments covering the whole period of the apprenticeship, reinforced by technical college training, whenever possible.

On the management side, the need for more careful selection and training of foremen has long been apparent. It was to meet this need that special war-time training courses were sponsored at technical colleges by the Ministry of Labour. Within the works there has been a large increase in the number of foremen's conferences. The object of these internal conferences is not only to improve the technical knowledge of the supervisor but his knowledge of company policy, so that he may prove to be a more effective leader and workshop manager.

All training schemes, to be effective, must have continuity, since training, like education, is a continuous process. It is a part of the personnel manager's work to advise management in the formulation of such training schemes and to assist the trained instructors in carrying out their programmes.

### **Methods and Standards of Remuneration**

As with major conditions of employment, wage rates are normally the subject of negotiation between a company through its officers, or through an employers' federation, and the representatives of the employees. In many of the larger organizations the head of the personnel department stands in an advisory relationship to the board on matters of wage policy.

Apart from this advisory position it is increasingly the practice in industry for the head of the personnel department to be held responsible for maintaining the company's accepted or negotiated wage structure. The need for a decision on wage matters from the personnel department arises either from queries resulting from changes in normal workshop routine (job transfers, absenteeism, faulty clocking, holidays, plant breakdown), or from alterations in methods or standards of remuneration.

The whole wage structure of war industry has been built up on the foundation of pre-war economic life. The application in the

various departments of a factory of basic wage increases, cost-of-living and war bonus advances, the speeding up of piece rate jobs, interpretations of overtime awards, relaxation of existing agreements to permit women to replace men are examples of the wage problems faced within a factory after the national negotiations have been concluded.

Personnel officers, through their contacts with management, workers, and their representatives, are in a position to ensure uniformity within the framework of the company's policy in queries and grievances that arise; or where decisions cannot be given, to see that reference is made without delay to the appropriate authority.

### Joint Consultation

The present war has given a new impetus to the formation of joint consultative bodies in the factories. The outstanding development has been the introduction of joint production committees whose primary function is "to consult and advise on matters relating to production and increased efficiency for this purpose in order that maximum output may be obtained from the factory".

These joint production committees, strongly urged in the first place by shop stewards' committees and the Amalgamated Engineering Union, were first set up in 1942, when agreements were reached between the Ministry of Supply and the trade unions for their adoption in Royal Ordnance Factories, and between the Engineering and Allied Employers' Federation and the trade unions for their establishment in the private munitions and metal industries.<sup>1</sup>

Although insisting on the voluntary character of the joint production committees, the Government has clearly shown its support of them. The Minister of Labour has included provisions in the Essential Work Orders which stimulate the formation of joint bodies and give specific functions to works committees wherever they exist; the Minister of Production has linked up the work of production committees with regional and national organizations; and the appropriate Ministers have urged their development in aircraft production and in the mines. According to the Ministry of Production, there were in December 1943, 2,850 committees in firms with more than 150 employees and 1,584 in smaller firms.

At the same time there has been an extension in the number of works councils and committees modelled on the Whitley system, and some of these joint consultative bodies have revised their

<sup>1</sup> For the text of the agreements, see *British Joint Production Machinery*, *op. cit.*, Appendix III.

constitutions so as to deal with questions of the type which form the basis of the functions of joint production committees. It is not possible to make an exact estimate of the number of workers covered by all these joint committees but "it is probable that at the present time they cover more than 3,500,000 workers".<sup>1</sup>

As is to be expected, there have been degrees of success and failure to record in the achievements of consultative bodies and of the joint production committees in particular. The report of the International Labour Office just cited devotes a chapter to an evaluation of their achievements, and in the summary concludes that:

"The range of activities . . . has included the promotion of morale, through better understanding of the problems faced by both sides, and through more adequate appreciation of the urgency and importance of the industrial war effort, and obtaining a substantial increase in output. . . . Joint committees appear to have been most effective when their activities have not been absorbed by problems of discipline. An essential factor of success has been the willingness of trade union officials and management to receive and experiment with individual proposals regardless of their origin."<sup>2</sup>

Most of the war-time emphasis on consultation in the factories has centred round the activities of these joint production committees. There is a danger in attaching too great a significance to their development, since it is not yet clear whether the motive for their origin, which was unquestioned and compelling in war-time, will apply with the same force under conditions of peace. For that reason the extended use of facilities for consultation, generally, as distinct from the committees dealing exclusively with production problems, may prove to have a more permanent significance.

It is, therefore, in the direction of establishing, maintaining, and improving the means of co-operation and the methods by which consultation takes place that the personnel function of management is primarily concerned. In particular, it is the responsibility of the head of the personnel department to establish a close liaison with all members of the consultative body, with the aim of promoting that degree of confidence without which no joint committee can achieve the purpose for which it was devised. Much of the detailed arrangements for meetings, agendas, and minutes, the machinery

<sup>1</sup> *Ibid.*, p. 89.

<sup>2</sup> *Ibid.*, p.194.

for elections, and the organization of the various *ad hoc* sub-committees set up as circumstances dictate are by common experience accepted responsibilities of the personnel department.

### Working Conditions and Employee Services

War-time conditions have compelled a closer watch to be kept over the health of industrial workers and have emphasized the need for reducing to a minimum fatigue, boredom, and the hazards of employment. Medical officers and trained nurses have a reasonable degree of autonomy in their department, and, in consequence, a policy of co-operation with frequent consultation and interchange of information is the model relationship between the medical officer or qualified nurse and the personnel manager. Joint action must be taken in the selection and training of new entrants, ensuring compliance with Factories Acts and other legislation, and in designing a positive health programme; this implies the continuous supervision over the physical well-being of the individual from the moment he is engaged, so that the amount of time lost through accident, illness, and discontent is reduced to a minimum, to the mutual advantage of worker and employer.

Before the war there were in almost all industries a varying number of employee services, which under war-time conditions have been extended and multiplied. The nature and extent of the services vary according to the geographical location of the works, the size and profitability of the undertaking and the special difficulties and changing circumstances of the times. They include to-day such items as transport, billeting, recreation and entertainment, day nurseries, shopping facilities for women, and individual advice on personal and domestic problems.

The introduction of large numbers of new workers to industry has made personal contact with the individual more necessary than ever. The serious problem of absenteeism, which became accentuated with the introduction of part time and married women into industry, is a typical example of the need for the right approach and personal contact with the individual. The welfare division of the personnel department is at the same time responsible for welfare outside as well as inside the factory, and by the fullest contact with the regional and local welfare offices of the Ministry of Labour and other appropriate bodies has assisted employees to solve their personal problems. There has also been an extension of those employee services which were well known before the war, examples of which are sick club benefits, hospital funds, and holidays with pay schemes.

All these services depend for their success on the measure of mutual trust and co-operation which exists between management and workers. To this end the development of the principle of consultation, already referred to, has resulted in the formation of *ad hoc* committees, on which employees have the opportunity of expressing their views and of sharing in the administration of schemes which directly affect their interests.

## **SPECIAL WAR-TIME DEVELOPMENTS IN PERSONNEL MANAGEMENT**

### **Ministry of Supply (Royal Ordnance Factories)**

The Ministry of Supply exercises three types of control: direct control in which the factories are managed by the Ministry of Supply; an agency factory managed by a company on behalf of the Ministry; factories working on Ministry of Supply contracts over which control is exercised by the Ministry by means of priorities in material and labour. Among the factories directly controlled and managed by the Ministry are the Royal Ordnance Factories engaged on explosives manufacture, filling, and engineering. There are, of course, big differences between these groups of factories. In the engineering factories high precision work is demanded in the manufacture of guns and small arms, whereas in the filling factories most of the operations call for a lesser degree of skill, but bring with them problems of danger, monotony, and boredom.

It is in the Royal Ordnance Factories under this Ministry that the most significant development in personnel management has occurred. There were, in 1943, 42 Royal Ordnance Factories, made up of 10 filling, 8 explosive, and 24 engineering factories, and peak figures of employment were stated by the Minister to be 300,000 persons, of whom 60 per cent. were women, 32·5 per cent. semi-skilled and unskilled men, and 7·5 per cent. skilled men. The personnel organization in these 42 Royal Ordnance Factories has evolved during the war years, and there are labour departments in all of them, staffed by approximately 600 selected labour officers, many of whom were trained under the Ministry's own wartime training schemes. Each of these labour departments is under the direction of a senior labour manager, who is responsible for seeing that the labour policy of the Ministry of Supply is understood and carried out in the factory. These labour departments throughout the 42 factories are contacted by six area labour managers, and the area labour managers report to the Chief Labour Management Officer at headquarters, where two senior labour managers, seconded

from industry, one man and one woman, advise the Ministry of Supply on the policy to be adopted and ensure the uniform application of that policy throughout the various organizations.

It will be seen that there are two problems in Royal Ordnance Factories which are different from the general run of industry. The first problem is one of size. The personnel of the Royal Ordnance Factory varies from 2,000, which is the smallest, to about 25,000 in number. One typical filling factory is built on an area covering nine square miles, and is not so much one factory (or "group" as it is called) as twelve, spread out over this wide area. Owing to the risks involved in production, the workshops are split up into small sections, and in the factory referred to there are 1,600 such small workrooms.

The second problem relates to the fact that they have been built and entirely staffed during the war, so that there was a complete lack of tradition and background during the early days of recruitment, which, to meet the needs of production, had to take place at a far greater speed than would normally be desirable. In addition, while in most of the factories the percentage of officially "transferred" workers is small compared with those coming from within travelling distance, many are living away from home for the first time, and even for the others "shift" life and a completely new environment have necessitated considerable adjustments, while practically the whole of the management and senior supervisory staff have had to be imported from other parts of the country, and in the case of the filling and explosive factories in particular, from other industries and occupations.

The importance of a properly formulated labour policy, therefore, cannot be over-emphasized, and the Ministry has implemented this policy by the establishment of labour departments in all its Royal Ordnance Factories, the senior labour manager of the department being directly responsible to the senior executive, the superintendent. On the administration side the labour departments cover all matters appertaining to employment, industrial relations including the operation of the joint consultative machinery and local trade union contacts, amenities and employee services, liaison with hostels, the Ministry of Labour Factory and Welfare Department, and other external organizations.

As an essential factor in the Ministry's labour policy has been the maintenance and development of direct contact with the workers, labour officers are attached to the various sections of the plant in an approximate ratio of 1 to 400 employees in filling and explosive factories, and 1 to 800 in the engineering factories. These labour

officers work the same hours and shifts as the employees and the rest of the shop management.

As far as other aspects of the personnel function of management are concerned, the medical and canteen departments are controlled by specialists, but there is a close liaison between them and the labour management organization.

In the larger factories there is, of course, a greater degree of functionalization, but where the size and distribution of the factory renders this necessary, regular meetings of the labour department staff are held, and there is regular consultation and co-operation within the department so that it may operate as an effective unit of administration.

It should also be mentioned that the Ministry has provided in its labour policy for full recognition of trade union interests and the right of representation. Wage rates are actually fixed centrally by agreement with the unions concerned, but the factory Whitley council and joint production committee are the recognized channels of consultation on questions of working conditions, problems of production, and industrial relationships generally; while in the larger factories provision is made for group committees, of which the labour officers working on shifts act as joint secretaries, thus giving an opportunity for wider representation and consultation at the various levels of the organization.

A good illustration of the advantages of joint consultation can be seen in connection with the transfers and reductions which have had to be effected in some of the factories. One of the problems with which the Royal Ordnance Factories have been faced is that since their inauguration the labour position has never been static. In the early days strength had to be built up quickly in order to meet production needs; and more recently, again to meet changing demands, transfers have had to be effected often to other districts. This has been done in close consultation with the Ministry of Labour, the trade unions, and the workers' representatives in the factory, and carried out with the maximum amount of individual consideration for all concerned.

Some measure of the successful development of the Ministry's labour policy in the Royal Ordnance Factories can be gauged from the almost complete absence of stoppages and strikes in these factories.

### **Ministry of Aircraft Production**

The aircraft industry consists of a large number of firms of varying sizes which accept contracts from the Ministry of Aircraft Production. In some factories these contracts represent a very small

proportion of the total volume of work, while others are engaged 100 per cent. on aircraft work. In very few instances is the Ministry the owner of the factory, but as the largest or only purchaser of its products the Ministry can exercise a very high degree of indirect control. In exercising this indirect control, the policy of the Ministry has been to give contractors every encouragement and assistance and to endeavour to help them to reach the highest possible standard. Only in the very last resort has compulsion been employed. For this reason personnel policy has not been laid down at headquarters and imposed on the factories.

During the early years of the war, when the tremendous expansion was taking place, the immediate need for production led managements to concentrate on those problems which had a direct influence on output, and to ignore aspects of management where the effect, though enormous, was indirect. In these circumstances personnel management, where it developed at all, developed piecemeal. Many firms realized that it was necessary to employ an official to deal with certain aspects of personnel work, but too frequently there was a failure to understand the type of person needed for the appointment or the knowledge, training, and experience required. In many cases some valued servant of the company whose services were no longer required in war-time was appointed as a personnel officer without regard to training or qualifications, with the result that the development of personnel management was seriously retarded.

Under the stress of war-time conditions, medical services, canteens, and other amenities were built up and were generally of a high standard. Failing to realize the importance of a co-ordinated personnel policy, firms tended to make *ad hoc* appointments of specialist officers to deal with personnel problems as they arose. Welfare officers were brought into industry to deal with the growing problem of women entrants, and labour officers were introduced to cope with labour supply questions and contacts with the Ministry of Labour. Chiefly owing to this lack of co-ordination, however, development proved inadequate; labour wastage was high and the reputation of the aircraft industry at a low ebb. The Third Report from the Select Committee on National Expenditure commented that "some firms engaged in the aircraft industry have been somewhat slow in developing personnel organizations".<sup>1</sup>

There was in the earlier war years a good deal of unrest in the workshops in common with most firms in the engineering and metal trades. This was largely the result of the very real difficulties

<sup>1</sup> *Op. cit.*, p. 15.



confronting management and workers and of the absence of internal machinery for developing mutual confidence and understanding. As many aircraft firms were federated engineering establishments, this need was partly met by the creation of joint production committees arising from the agreement negotiated between the Employers' Federation and the Amalgamated Engineering Union. A very large number of these advisory committees were set up throughout the industry, giving workers a voice in the technical questions of production, together with numerous *ad hoc* sub-committees to deal with breaches of discipline, absenteeism, and matters affecting workers' interests.

In November 1942, Sir Stafford Cripps became Minister of Aircraft Production and his influence had far-reaching effects on the development of personnel management in the industry. Both in public speeches and by factory visits he showed an interest and a determination to foster its development. In December he set up a Production Efficiency Board, which included among its functions the organization throughout the industry of personnel management on sound lines. A senior personnel officer was a member of the Board, and on the advice of the Board experienced personnel officers were subsequently attached to the staffs of the regional control. The function of these regional personnel officers was to advise contractors on any aspect of personnel management. As members of the regional controllers' staff, their work has been directed and organized by the controllers though the policy they recommend has been approved and to a certain extent formulated at headquarters. In contacts with a firm both the Production Efficiency Board and the regional personnel officers have paid special attention to matters affecting labour utilization and labour wastage.

Difficulties have often been found to arise through faulty organization in personnel departments and through the unavoidable shortage of trained personnel. To meet this problem the Production Efficiency Board issued in 1943 a series of leaflets entitled "Notes for the Guidance of Personnel Officers", setting out the basis of sound personnel organization.

The achievements of the aircraft industry and the decisive part it is playing in the prosecution of the war are common knowledge. It has faced enormous difficulties because of its rapid growth and the changing production demands made on it. The success of its mission in actual workshop production has depended on the realization of an intelligent co-operation between management and workpeople. This has been the aim and purpose of personnel management. There is nothing new or revolutionary in personnel

management as it has developed throughout the industry. The Ministry has concentrated on encouraging sound, well-tested principles, emphasizing that these principles can only be put into practice where trained people are able to establish the most efficient method of organization. It has endeavoured to spread good personnel management as widely as possible so that the greatest number of aircraft workers will benefit by these methods. Its aim has been to ensure that personnel management is practised in the rank and file of aircraft firms and not only in a few select establishments. At the same time it has always urged that the standard of personnel administration should not be lowered and that only the best possible methods can be accepted.

An objective assessment of the evolution of personnel management in Government-aided factories is supplied by the House of Commons Select Committee on National Expenditure.<sup>1</sup> The Committee has made numerous references in its reports to personnel management, basing its judgments on what it saw in the Government-aided factories. Most of the findings in the early war-time investigations were very critical, pointing out the absence or lack of effective personnel management in war factories. There were comments on the need for managements to pay greater attention to the physical and psychological factors influencing the lives of workers for the purpose of building morale, on which the maintenance and improvement of output so largely depends.

At a later stage, in the Third Report (1942-1943), which was devoted wholly to a review of personnel management, welfare, and health in war factories, the Committee expressed the view that "labour management has in the last two years won a definite status in industry" and explained the nature of personnel management and the work of personnel officers in these words:

"... the maximum efficiency cannot be attained unless the human factor in production is recognized as being of at least as much importance as the engineering and research sides. Once this principle is accepted, the management, in order to ensure the whole-hearted co-operation from the workers, must adopt a clear policy for all personnel and welfare matters. The functions of a personnel officer can briefly be defined as those of a specialized adviser to the management, supervisors, and foremen on all questions affecting relations between the workers and the management."<sup>2</sup>

<sup>1</sup> See, for example, the Seventeenth and Twenty-first Reports for the Session 1940-1941, and the Third and Tenth Reports for the Session 1942-1943.

<sup>2</sup> *Op. cit.*, p. 13.

### **The Training of Personnel Officers**

The exact number of men and women practising personnel management before the war is not known but it can be estimated that the number did not exceed 1,800, 60 per cent. of whom were women. Very few of the men had undertaken any specific training for personnel management; for although a number had taken university degrees in commerce, economics, and history, with the addition in some cases of post-graduate courses in business administration, the majority had gained their experience in the workshop and acquired within industry itself a practical background to problems of industrial relations and business administration. On the other hand, perhaps 40 per cent. of the women had set out with the express intention of making personnel management and welfare supervision their career and had taken the only available recognized training for this work. This training consisted of a combination of theoretical and practical work, and was carried out by the social science departments of certain universities in collaboration with the Institute of Labour Management. It took the form of either a degree course followed by a year's post-graduate social science course or a two-year social science certificate course, coupled in both cases with special lectures on personnel management and two months' practical training taken in personnel departments in two contrasting industries under the guidance of experienced personnel managers. The social science certificate was taken with a special bias towards industrial subjects such as industrial law, industrial psychology, industrial relations, the growth and development of industry, labour movements, etc.

By 1943, according to an estimate from the Chief Inspector of Factories, there were 5,759 personnel officers working in factories employing more than 250 persons, and as the figure has undoubtedly increased since that date, it is clear that a fourfold increase has taken place since the outbreak of war.

An unsatisfied demand for the services of experienced men and women first began to make itself felt in 1940; some transfers from non-essential to war industries took place, but it was apparent that additional and more concentrated courses were essential. A three-months' emergency training course, planned in 1940 by the Institute of Labour Management and the Joint Universities Council for Social Studies, was therefore adopted by the Ministry of Labour and National Service. This course consisted of an abbreviated form of the social science course with the addition of one month's practical experience in a factory personnel department. Twenty-five of these courses were held between 1940 and the spring of 1944 at the

social science departments of the London School of Economics, and Birmingham, Edinburgh, and Liverpool Universities; 800 students, aged over 25, of both sexes took this shortened course during those four years, and in addition the full-time social science course continued and was responsible for training annually approximately 75 women of student age.

With the object of presenting a co-ordinated picture of the nature and scope of personnel management for those who were not able to take advantage of a full-time course even as brief as three months and who were already engaged in the work, the Ministry of Labour, in conjunction with the Institute of Labour Management and various educational authorities, in 1943 organized a number of "refresher" courses. These have been held in ten industrial centres and have been attended by more than 500 persons. They usually consist of 30 lectures, covering the social and industrial background, industrial legislation, and the practice of personnel management. Finally, very valuable educative work has been done by national associations such as the Industrial Welfare Society, the Institute of Labour Management, the Institute of Industrial Administration, and the National Institute of Industrial Psychology in providing opportunities for the regular exchange of information among personnel officers by means of meetings, week-end conferences, and publications.

In addition to provision made by the Ministry of Labour for industry generally, the Ministry of Supply in 1941 and 1942 arranged with the Ministry of Labour and the Liverpool University Social Science Department to send untrained labour officers from the Royal Ordnance Factories, in groups of about 30, to that university for a six weeks' course on the theoretical aspects of personnel management, which was attended by a total of 50 men and 139 women; in 1943 and 1944 the Ministry of Aircraft Production, through the Ministry of Labour, made similar arrangements at the Edinburgh Social Science Department for the members of the personnel departments of aircraft undertakings.

All these emergency arrangements have made some contribution towards improving the standard of personnel management in Great Britain, which was admittedly low, particularly in war-time industries in the first years of the war. The weaknesses, however, lay not only in the inexperience of executives in personnel departments but also at the board level, where there was frequently an absence of carefully thought out personnel policy, and on the floor of the workshop, where supervision, still suffering from dilution, found it difficult to accept the changed outlook of management and the reason for the

introduction of a personnel department. As the Chief Inspector of Factories wrote:

“The great advance, however, must come from the right attitude . . . from the directorate to the chargehand, with the necessary close co-operation with trade union representatives and internal committees. Close team work of all concerned, with the skilled advice of trained personnel management, will go far towards bringing to the forefront that emphasis on the value of the human side in industry that has been so neglected in the past and is now shown to be of such supreme importance.”<sup>1</sup>

In spite of the fact that industry as a whole failed to grasp and apply these essential principles in the early days of the war, there has since been a notable development both in the quality of personnel management and in the extent to which it is practised in British industry. The experience of the last five years has shown that industry will emerge from the present war with a greater appreciation of the value of personnel work, and a higher level of technical application than ever before.

## CONCLUSION

The development of personnel management has sprung from the intrinsic need for its adoption and extension in industry. The workers themselves have expressed this view, as may be illustrated by the resolution of the women members of the Amalgamated Engineering Union, who recently called for the extended employment of women welfare and personnel officers.<sup>2</sup> Many senior trade union officials have expressed similar views and have addressed conferences of personnel and welfare officers and lectured to students at the Ministry of Labour training courses. There have, of course, been criticisms, based on the failings of a minority of practising personnel officers, but this account should already have made it clear that the rapid demand for a fourfold increase in the number of specialists could not have been met without some lowering of standards, leading to the inevitable appointment of a few men and women unsuited by training and temperament to win the confidence of management and workers.

<sup>1</sup> *Annual Report of the Chief Inspector of Factories for the year 1942.* Cmd. 6471 (London, H.M. Stationery Office, 1943).

<sup>2</sup> Second Women's National Conference of the A.E.U., held at Leicester, May 4th-5th, 1944.

Once the Dunkirk evacuation had passed, factories gave increasing attention to the needs of the workers, and problems of morale, and it is here that personnel management, with its insistence on the importance of good factory relations, held out the promise of a closer industrial collaboration. Development has, however, been slow in shipbuilding and the cotton and woollen textile industries, and almost negligible in road and rail transport and coal mining. In the last named industry a plea for "a new technique of labour management" and "the introduction of personnel managers" was made in the House of Commons by the Minister of Fuel and Power.<sup>1</sup>

The underlying reason for the official support of personnel management is inherent in the Government's declared man-power policy already referred to:

" . . . first, to secure, within the limits of our war economy, that each citizen is so engaged that the maximum use is made of his or her ability; secondly, to see that working and living conditions are as satisfactory as is possible in war-time; and thirdly . . . ensure that individual rights are reasonably safeguarded and the democratic spirit is preserved."<sup>2</sup>

Mr. Ernest Bevin, the Minister of Labour and National Service, has supported these words by the numerous activities of his department; by the inauguration of a Conference on Industrial Health (April 1943)<sup>3</sup>; by the development of training courses for personnel managers and welfare supervisors; by the issue of the various Regulations and Orders affecting the conditions of industrial employment; and by faith in the traditional British method of voluntary agreements negotiated between the representatives of employers and workpeople.

The numerous investigations into the influence of the industrial environment upon the physical and psychological health of workers have aroused a widespread interest in the human aspect of management. Following on the definitions of personnel management published by the International Labour Office,<sup>4</sup> both the annual reports of the Chief Inspector of Factories and the findings of

<sup>1</sup> *Parliamentary Debates, House of Commons*, July 13th, 1944 (Debate on Civil Estimates: Ministry of Fuel and Power), col. 1923.

<sup>2</sup> See above, p. 7.

<sup>3</sup> Cf. *International Labour Review*, Vol. XLVIII, No. 4, October 1943, pp. 447-465: "The First British Industrial Health Conference".

<sup>4</sup> Cf. "The Organization and Functions of Personnel Management in Industrial Undertakings", *loc. cit.*

the Select Committee on National Expenditure have sought to introduce into their observations on the development of personnel management much of the new thought and practice which has evolved from the experience of British industry. The latest definition of personnel management to be published follows closely on and owes much to the research of the three authorities already referred to:

“ Personnel management is that part of the management function which is primarily concerned with the human relationships within an organization. Its objective is the maintenance of those relationships on a basis which, by consideration of the well-being of the individual, enables all those engaged in the undertaking to make their maximum personal contribution to the effective working of that undertaking.

“ In particular, personnel management is concerned with:

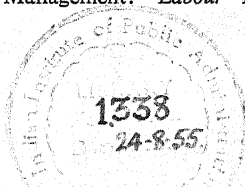
“ Methods of recruitment, selection, training and education and with the proper employment of personnel;

“ Terms of employment, methods and standards of remuneration, working conditions, amenities, and employee services;

“ The maintenance and effective use of facilities for joint consultation between employers and employees and between their representatives, and of recognized procedures for the settlement of disputes.”<sup>1</sup>

It may be concluded that in this war the necessity for effective personnel management has been more widely understood; the principles have been reaffirmed and the nature of present-day practice more authoritatively stated. Industry will, therefore, face the transition period when the war has been won with the knowledge that industrial efficiency will depend on the degree of success with which it solves its human problems no less than on the techniques of its production. Therein lies the responsibility of the personnel function of management and the measure of its opportunity.

<sup>1</sup> Institute of Labour Management: *Labour Management* (London) June-July 1944.



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